WEEKLY ECONOMIC REVIEW

December 22, 2006

Alberta's booming economy is attracting unprecedented numbers of people from other provinces. During the third quarter of 2006, Alberta had a net increase of 24,535. This brings Alberta's nine month total to 51,471, already higher than the twelve month total of 51,160 in 2005.

Rising inter-provincial migration is contributing to Alberta's strong population growth. Between October, 2005 and October 1, 2006, Alberta's population grew by 3.8 per cent – more than triple the national increase of 1.0 per cent.

Alberta's CPI inflation increased by 3.8 per cent. Once again, homeowners' replacement costs were the main contributor. Despite the sharp rise in homeowners' replacement costs, there seems to be some signs of easing. The month-over-month increase was only 0.5 per cent in November, and 1.6 per cent in October, compared to a high of 5.1 per cent in July.

Canada's headline CPI increased 0.2 per cent in November. However, the core inflation rate (which excludes the eight most volatile items) decreased by 0.1 per cent to 2.2 per cent, year-over-year.

Cdn Dollar (C¢/US$)

Dec	22, 2006	86.4¢
Dec	15, 2006	86.4¢
2006-07 YTD		88.8¢

WTI Oil US$/bbl

Dec	21, 2006	$62.66
Dec	14, 2006	$62.51
2006-07 YTD		$66.44

Nymex Natural Gas C$/mcf *

December Contract

Dec	22, 2006	$7.66
Dec	15, 2006	$8.61

*Estimate based on Nymex Futures Market Price

Canada's real GDP was flat in October, despite market expectations of an increase of 0.1 per cent. Retail sales decreased for the second month in a row, falling by 0.7 per cent in October.

The U.S. economy also slowed to an annual rate of 2 per cent in third quarter, down from 2.2 per cent reported earlier. Much of the decrease come from a decline in residential investment. Recently there have been indications that the housing market is stabilizing. Housing starts and mortgage applications increased in November.

Natural gas prices declined, reflecting lower demand for heating fuel in the United States.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
Canadian Real GDP	**October**			
(annualized, millions of 1997 dollars)	1,089,665	0.0%	1.6%	n/a
Consumer Price Index (1997=100)	**November**			
Alberta	141.2	0.6%	3.7%	3.8%
Canada	130.0	0.2%	1.4%	2.0%
Retail Trade ($ Millions)	**October**			
Alberta	4,813	-0.1%	15.8%	16.7%
Canada	32,645	-0.7%	5.7%	6.4%
Wholesale Trade ($ Millions)	**October**			
Alberta	5,173	-1.3%	9.9%	14.3%
Canada	41,595	-0.2%	3.0%	7.0%

Source: Statistics Canada

[1] *Year-to-date 2006 compared to the same time period in 2005. For example: January-November 2006 versus January-November 2005*